

FUNDING

State Level Distribution

The Workforce Investment Act authorizes three funding streams for the WIA Title I programs- Adult, Youth, and Dislocated Workers. Eighty five (**85**) percent of the adult and youth funds, and **60** percent of the dislocated worker funds are allocated to the LWIAs. Of the remaining youth, adult, and dislocated worker funds, **10** percent is set-aside (State/National Reserve Funds) for statewide youth, adult, and dislocated worker activities.

Five (**5**) percent is used by states to administer the programs. Additionally, **25** percent of the dislocated worker funds are used for Rapid Response activities statewide.

85 % Adults & Youth	60% Dislocated Worker
10 % State	10% State
<u>5% State Administration</u>	25% Rapid Response
	<u>5% Administration</u>
100 %	100 %

Local Level

Of the **85** percent that is used for adults and youth that is distributed to the LWIAs, 10 percent is allowed to be used for Administrative purposes and the remaining 90 percent is to be used for WIA program activities such as core, intensive, and training

Of the **60** percent that is used for the dislocated workers, **10** percent of the **60** percent is to be used for Administrative purposes. The remaining 90 percent of the 60 percent should be used for core, intensive, and training.

CURRENT YEAR: WORKFORCE INVESTMENT ACT GRANTS

(July 1, 2003 to June 30, 2004) We will submit a revision (**Exhibit 9**) for the new contracts that will be executed as of October 1, 2003.

Grants for Adults Must Serve

All adults 18 and over are eligible to receive WIA services. In the event adult program funds allocated to an area are limited, priority will be given to recipients of public assistance and other low-income individuals. The services to be provided are 1) Core services, 2) Intensive services, and 3) Training or Retraining services.

The question “who is eligible for training” is dependent on the following conditions:

The individual employment plan developed for the customer after providing core services and intensive services

The funding availability in the area

The criteria developed by the LWIA to target the most in need for retraining services

*Note: Limited funding in an LWIA is defined as 75% expenditure rate before the end of the third quarter of that program year; at which time, the most in need or economically disadvantaged will be given priority for WIA services. *E&T Memo 03-25*

Grants for Dislocated Workers Must Serve

WIA § 101 (9) defines dislocated workers as:

- A. Individuals who have been terminated or laid off, or who have received a notice of termination or layoff from employment; are eligible for or have exhausted entitlement to unemployment compensation; have been employed for a duration sufficient to demonstrate attachment to the workforce but is not eligible for unemployment compensation due to insufficient earnings or having performed services for an employer that was not covered under the state unemployment compensation law; and are unlikely to return to a previous industry or occupation.
- B. An individual who has been terminated or laid off, or has received a notice of termination or layoff from employment as a result of any permanent closure of, or any substantial layoff at a plant, facility, or enterprise; is employed at a facility at which the employer has made a general announcement that such facility will close within 180 days; or for purposes of eligibility to receive services other than training services described in section 134 (d) (4), intensive services described in section 134 (d)(3), or supportive services; is employed at a facility at which the employer has made a general announcement that the facility will close.
- C. An individual who was self-employed (including employment as a farmer, a rancher, or fisherman) but is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disaster.
- D. A displaced homemaker

Grants for Youth Must Serve

Eligible Youth

Individuals must meet the following criteria:

- Youth age 14-21
- Economically disadvantaged (Up to 5 percent of the funds allocated to a local workforce area may be used for youth that do not meet the income criterion.)

And meet at least one of the following criteria

- Deficient in basic literacy skills
- School dropout
- Homeless, a runaway, or a foster child
- Pregnant or a parent
- Offender
- Requires additional assistance to complete an education program or to secure employment (as defined in the LWIA's plan)

Out-of-School Youth

- An out-of-school youth is an eligible youth
- Youth age 14-21
- Economically disadvantaged (Up to 5 percent of the funds allocated to a local workforce area may be used for youth that do not meet the income criterion.)

And is one of the following:

- A school dropout, or
- A high school graduate or holder of a GED but is one of the following:
- Basic skills deficient
- Unemployed, or
- Under-employed.

Priority:

Tennessee's broad strategic goals for its youth are to establish as first priority the attainment of educational skills. This goal, as delineated in Tennessee's five-year Plan, encompasses the attainment of credits required for a high school diploma for any eligible youth and/or the attainment of credits toward an equivalency for out-of-school youth. To this end Tennessee is designating eligible youth, that are deficient in basic literacy skills, as a priority for all WIA funded youth programs. Youth determined to be deficient in basic literacy skills must constitute at least 50% of the total youth served by the LWIA.

Discretionary /State & National Reserve

An LWIA may request additional funds (State Reserve Funds and National Reserve Funds) to serve WIA Title I eligible customers, who have been terminated or laid off, or have received a notice of termination or layoff from an employer. When such a request for additional funds are made, the Administrative Entity must submit a letter to the Administrator of Employment and Workforce Development.

The letter includes the number of persons to be served; the funding source (youth, adult, or dislocated worker); the training to be provided; and the amount of funds needed to serve the customers requesting services.

In addition, the document must include:

A short summary describing the circumstances for requesting funds, including the amount of available funds in the particular funding source; the total cost of training and the cost per participant; the previous occupations of the customers, and the new training field customers are seeking; analysis of the needs survey if the request is a result of plant closure or mass layoff; the reasons for not using other funding sources to pay for the training costs (Pell Grants etc.); and evidence of coordinated efforts with other partners to meet the other needs of the customers requesting training services.

The decision for approval or denial of State funding will be made within seven working days of the receipt of application. If the State denies the request for funding, the State will forward the LWIA a National Reserve Grant application. (See WIA Policy E&T Memo 01-13)

Incentive Awards

The Workforce Investment Act allows states the option of providing incentive awards for LWIAs meeting or exceeding performance goals. During the first two years, there were no incentive awards. However, a new state policy recently approved by the State Workforce Development Board on September 27, 2002, authorizes incentives and sanctions. (See Employment and Training website at www.state.tn.us/labor-wfd/et.html) For state fiscal year 2003 – 2004, incentive grants have been awarded in Tennessee, and thus must be monitored on a yearly basis.

SUMMARY STATEMENT

The success and failure of our WIA Title I program depend a great deal on how the State of Tennessee monitors this program. The monitoring process ensures the integrity of program delivery and guarantees funds are utilized consistent with the goals of the state. It also ensures programs and funds are administered according to federal rules and regulations. Through the monitoring process, shortcomings in program delivery and fiscal accountability can be detected, corrected, and improvements can be made. Therefore, it is the intent of the Tennessee Department of Labor and Workforce Development to ensure that all WIA Title I programs administered within the 13 Local Workforce Investment Areas by the Administrative Entities in conjunction with their local boards and chief elected officials are monitored on an annual basis. The department also wants to make sure WIA services, built on a foundation of good customer service, integrity, and accountability are delivered to eligible applicants and employers in a timely fashion.